Calculations to determine Total Point of Assumption

Chart 1

Share Ratio	70%	30%		
Maximum Profit/Fee		$75,000	Fixed	
Ceilin Price	130%	Estimated Cost	$ 650,000	
Profit @	9%			
	Cost	70/30 Share Profit	Government Savings	Government Responsible
Under run	300,000	75,000	170,000	375,000
Under run	325,000	75,000	145,000	400,000
Under run	350,000	75,000	120,000	425,000
Under run	375,000	75,000	95,000	450,000
Under run	400,000	75,000	70,000	475,000
Under run	425,000	67,500	52,500	492,500
Under run	450,000	60,000	35,000	510,000
Under run	475,000	52,500	17,500	527,500
Target	500,000	45,000		545,000
Overrun	525,000	37,500		562,500
Overrun	550,000	30,000		580,000
Overrun	575,000	22,500		597,500
Overrun	600,000	15,000		615,000
Overrun	625,000	7,500		632,500
Overrun	650,000	0	PTA	650,000
Overrun	675,000	-25,000		
Overrun	700,000	-50,000		Total Contractor Responsibility
Overrun	725,000	-75,000		
Overrun	750,000	-100,000		

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Celing Price		$ 650,000
Target Price		$ 545,000
Gov. Share		70%
Contractor Share		30%
Target Cost		$ 475,000

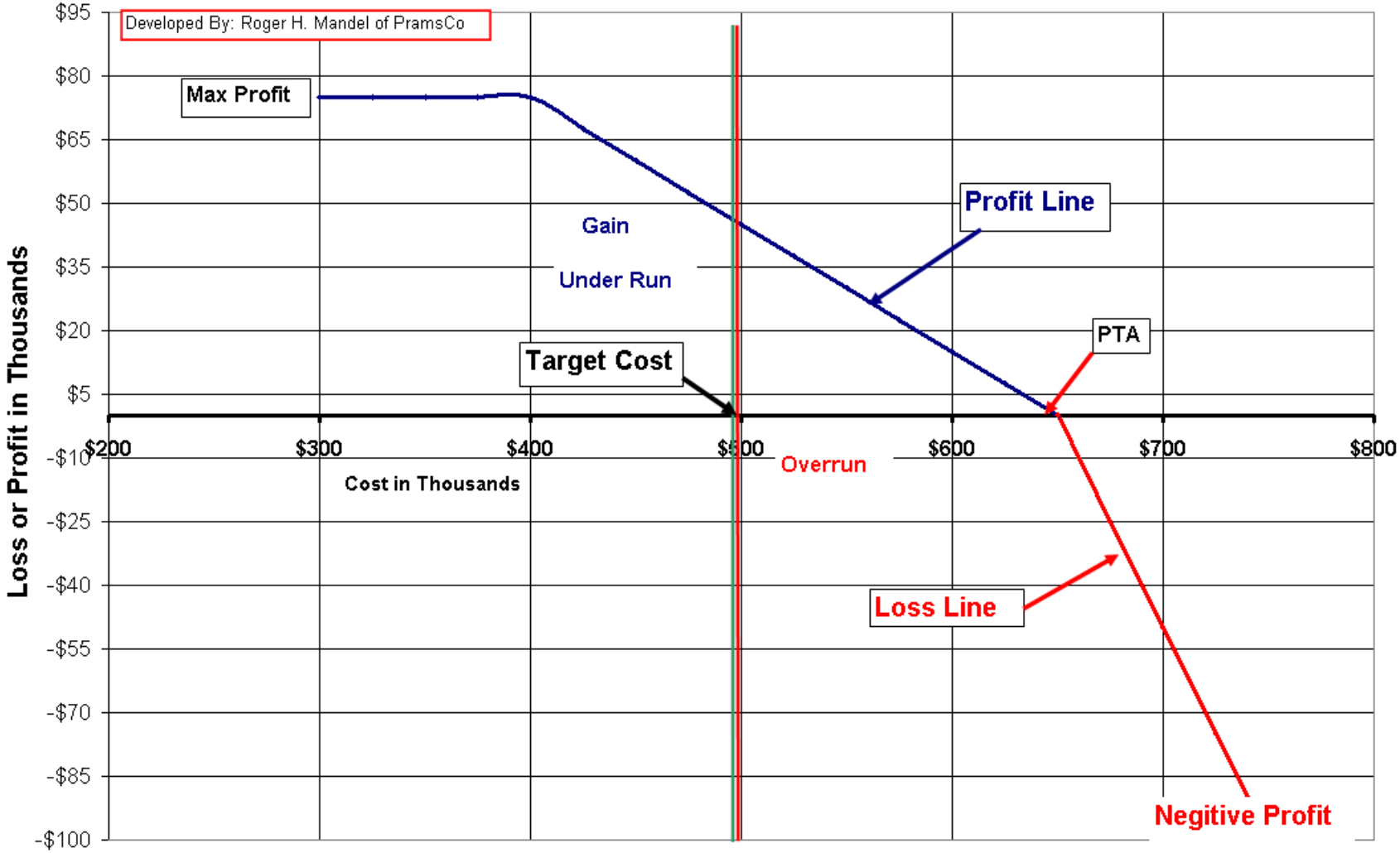
PTA = ((Ceiling Price - Taget Price) / Government Share Ratio) + Target Cost

Chart 2

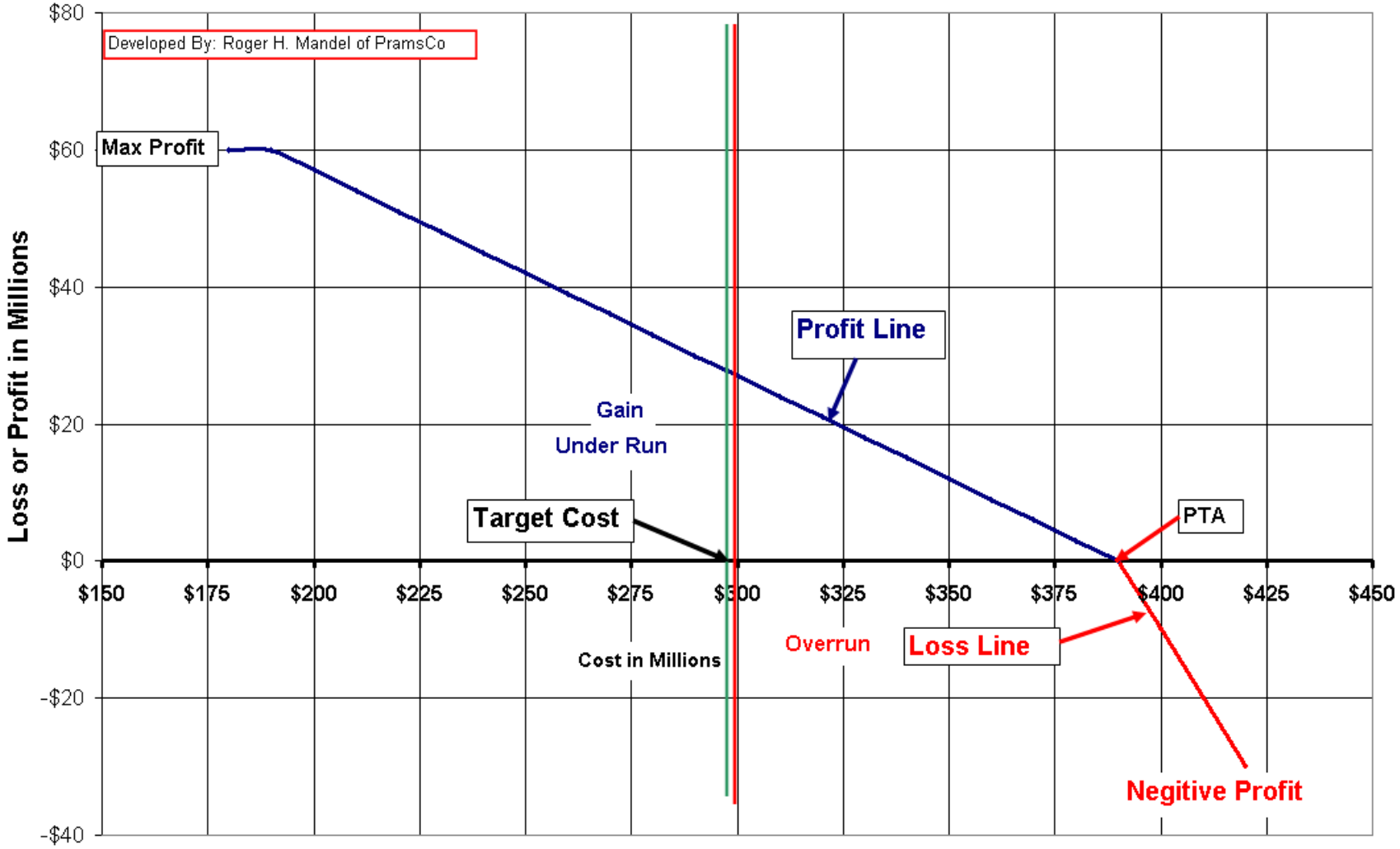
Share Ratio	70%	30%		
Maximum Profit/Fee		$60,000,000	Fixed	
Ceilin Price	130%	Estimated Cost	$ 325,000,000	
Profit @	9%			
	Cost	70/30 Share Profit	Government Savings	Government Responsible
Under run	170,000,000	60,000,000	97,000,000	230,000,000
Under run	180,000,000	60,000,000	87,000,000	240,000,000
Under run	190,000,000	60,000,000	77,000,000	250,000,000
Under run	200,000,000	57,000,000	70,000,000	257,000,000
Under run	210,000,000	54,000,000	63,000,000	264,000,000
Under run	220,000,000	51,000,000	56,000,000	271,000,000
Under run	230,000,000	48,000,000	49,000,000	278,000,000
Under run	240,000,000	45,000,000	42,000,000	285,000,000
Under run	250,000,000	42,000,000	35,000,000	292,000,000
Under run	260,000,000	39,000,000	28,000,000	299,000,000
Under run	270,000,000	36,000,000	21,000,000	306,000,000
Under run	280,000,000	33,000,000	14,000,000	313,000,000
Under run	290,000,000	30,000,000	7,000,000	320,000,000
Target	300,000,000	27,000,000		327,000,000
Overrun	310,000,000	24,000,000		334,000,000
Overrun	320,000,000	21,000,000		341,000,000
Overrun	330,000,000	18,000,000		348,000,000
Overrun	340,000,000	15,000,000		355,000,000
Overrun	350,000,000	12,000,000		362,000,000
Overrun	360,000,000	9,000,000		369,000,000
Overrun	370,000,000	6,000,000		376,000,000
Overrun	380,000,000	3,000,000		383,000,000
Overrun	390,000,000	0	PTA	390,000,000
Overrun	400,000,000	-10,000,000		
Overrun	410,000,000	-20,000,000		Total Contractor Responsibility
Overrun	420,000,000	-30,000,000		

Developed by: Roger H. Mandel of PramsCo

Total Point of Assumption using 70/30 share ratio with Ceiling Price and Maximum Profit



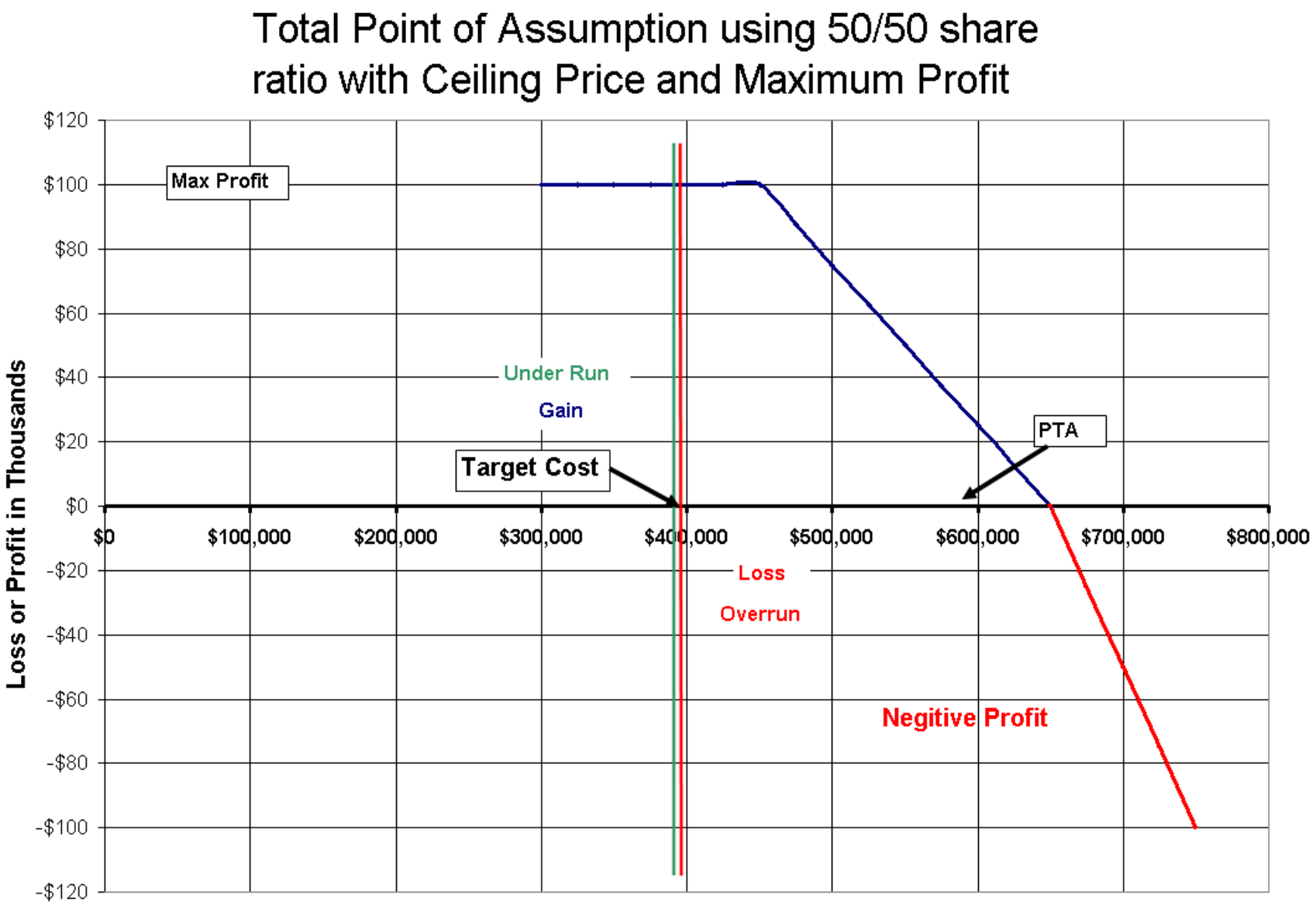
Total Point of Assumption using 70/30 share ratio with Ceiling Price and Maximum Profit



Calculations to determine Total Point of Assumption

Share Ratio at		50%	50%		
Maximum Profit/Fee		$100,000			
Ceiling @	130%	Estimated Cost	$ 650,000		
Profit %	15%				
	Cost	50/50 Share Profit	Government Savings	Government Responsible	
Under run	300,000	100,000	175,000	400,000	
Under run	325,000	100,000	150,000	425,000	
Under run	350,000	100,000	125,000	450,000	
Under run	375,000	100,000	100,000	475,000	
Under run	400,000	100,000	75,000	500,000	
Under run	425,000	100,000	50,000	525,000	
Under run	450,000	100,000	25,000	550,000	
Under run	475,000	87,500	12,500	562,500	
Target	500,000	75,000		575,000	
Overrun	525,000	62,500		587,500	
Overrun	550,000	50,000		600,000	
Overrun	575,000	37,500		612,500	
Overrun	600,000	25,000		625,000	
Overrun	625,000	12,500		637,500	
Overrun	650,000	0		650,000	PTA
Overrun	675,000	-25,000			
Overrun	700,000	-50,000		Total Contractor	
Overrun	725,000	-75,000		Responsibility	
Overrun	750,000	-100,000			

Share Ratio at		50%	50%		
Maximum Profit/Fee		$60,000,000			
Ceiling @	130%	Estimated Cost	$ 390,000,000		
Profit %	15%				
	Cost	50/50 Share Profit	Government Savings	Government Responsible	
Under run	220,000,000	60,000,000	65,000,000	280,000,000	
Under run	230,000,000	60,000,000	55,000,000	290,000,000	
Under run	240,000,000	60,000,000	45,000,000	300,000,000	
Under run	250,000,000	60,000,000	35,000,000	310,000,000	
Under run	260,000,000	60,000,000	25,000,000	320,000,000	
Under run	270,000,000	60,000,000	15,000,000	330,000,000	
Under run	280,000,000	55,000,000	10,000,000	335,000,000	
Under run	290,000,000	50,000,000	5,000,000	340,000,000	
Target	300,000,000	45,000,000		345,000,000	
Overrun	310,000,000	40,000,000		350,000,000	
Overrun	320,000,000	35,000,000		355,000,000	
Overrun	330,000,000	30,000,000		360,000,000	
Overrun	340,000,000	25,000,000		365,000,000	
Overrun	350,000,000	20,000,000		370,000,000	
Overrun	360,000,000	15,000,000		375,000,000	
Overrun	370,000,000	10,000,000		380,000,000	
Overrun	380,000,000	5,000,000		385,000,000	
Overrun	390,000,000	0		390,000,000	PTA
Overrun	400,000,000	-10,000,000			
Overrun	410,000,000	-20,000,000		Total Contractor	
Overrun	420,000,000	-30,000,000		Responsibility	
Overrun	430,000,000	-40,000,000			


Total Point of Assumption using 50/50 share ratio with Ceiling Price and Maximum Profit
Loss or Profit in Thousands
$120
$100
$80
$60
$40
$20
$0
-$20
-$40
-$60
-$80
-$100
-$120
$0
$100,000
$200,000
$300,000
$400,000
$500,000
$600,000
$700,000
$800,000
Max Profit
Under Run
Gain
Target Cost
PTA
Loss
Overrun
Negitive Profit

Total Point of Assumption using 50/50 share ratio with Ceiling Price and Maximum Profit